# AMENDED IN ASSEMBLY SEPTEMBER 3, 2009 AMENDED IN SENATE MARCH 19, 2009

SENATE BILL No. 111

# **Introduced by Senator Correa**

January 28, 2009

An act to amend Section 798.44 of, to amend and renumber Sections 798.21, 798.22, 798.23, 798.23.5, 798.25.5, 798.28, 798.28.5, 798.29.5, 798.38, 798.40, 798.42, 798.43, and 798.49 of, to amend, renumber, and add Section 798.29 and 798.42 of, to amend and renumber the heading of Article 4 (commencing with Section 798.30) of Chapter 2.5 of Title 2 of Part 2 of Division 2 of, and to add the heading of Article 4 (commencing with Section 798.40) to Chapter 2.5 of Title 2 of Part 2 of Division 2 of, the Civil Code, relating to mobilehome parks.

# LEGISLATIVE COUNSEL'S DIGEST

SB 111, as amended, Correa. Mobilehome Residency Law.

The Mobilehome Residency Law governs residency in mobilehome parks and includes provisions that are applicable to those who have an ownership interest in a subdivision, cooperative, or condominium for mobilehomes, or a resident-owned mobilehome park, as specified. Among other things, these provisions set forth the rights of residents and homeowners regarding the use of the property.

This bill would reorganize *certain provisions of* the Mobilehome Residency Law-by revising and recasting and make technical changes to various provisions thereof.

This bill would make other technical, conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

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The people of the State of California do enact as follows:

1 SECTION 1. Section 798.29.5 of the Civil Code is amended 2 and renumbered to read:

<del>798.29.5.</del>

798.42. The management shall provide, by posting notice on the mobilehomes of all affected homeowners and residents, at least 72 hours' written advance notice of an interruption in utility service of more than two hours for the maintenance, repair, or replacement of facilities of utility systems over which the management has control within the park, provided that the interruption is not due to an emergency. The management shall be liable only for actual damages sustained by a homeowner or resident for violation of this section.

"Emergency," for purposes of this section, means the interruption of utility service resulting from an accident or act of nature, or cessation of service caused by other than the management's regular or planned maintenance, repair, or replacement of utility facilities.

SEC. 2. The heading of Article 4 (commencing with Section 798.30) of Chapter 2.5 of Title 2 of Part 2 of Division 2 of the Civil Code is amended and renumbered to read:

### Article 4.-3.5. Fees and Charges

SEC. 3. Section 798.38 of the Civil Code is amended and renumbered to read:

<del>798.38.</del>

- 798.40. (a) Where the management provides both master-meter and submeter service of utilities to a homeowner, for each billing period the cost of the charges for the period shall be separately stated along with the opening and closing readings for his or her meter. The management shall post in a conspicuous place, the prevailing residential utilities rate schedule as published by the serving utility.
- (b) If a third-party billing agent or company prepares utility billing for the park, the management shall disclose on each resident's billing, the name, address, and telephone number of the billing agent or company.
- SEC. 4. The heading of Article 4 (commencing with Section 798.40) is added to Chapter 2.5 of Title 2 of Part 2 of Division 2

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of the Civil Code, as immediately following Section 798.39, to read:

#### Article 4. Utilities

SEC. 5. Section 798.40 of the Civil Code is amended and renumbered to read:

<del>798.40.</del>

- 798.38. The management shall not acquire a lien or security interest, other than an interest arising by reason of process issued to enforce a judgment of any court, in a mobilehome located in the park unless it is mutually agreed upon by both the homeowner and management. Any billing and payment upon the obligation shall be kept separate from current rent.
- SEC. 6. Section 798.42 of the Civil Code is amended and renumbered to read:

<del>798.42.</del>

- 798.39.5. (a) The management shall not charge or impose upon a homeowner any fee or increase in rent which reflects the cost to the management of any fine, forfeiture, penalty, money damages, or fee assessed or awarded by a court of law against the management for a violation of this chapter, including any attorney's fees and costs incurred by the management in connection therewith.
- (b) A court shall consider the remoteness in time of the assessment or award against the management of any fine, forfeiture, penalty, money damages, or fee in determining whether the homeowner has met the burden of proof that the fee or increase in rent is in violation of this section.
- (c) Any provision in a rental agreement entered into, renewed, or modified on or after January 1, 1995, that permits a fee or increase in rent that reflects the cost to the management of any money damages awarded against the management for a violation of this chapter shall be void.
  - SEC. 7. Section 798.44 of the Civil Code is amended to read:
- 798.44. (a) The management of a park that does not permit mobilehome owners or park tenants residents to purchase liquefied petroleum gas for use in the mobilehome park from someone other than the mobilehome park management shall not sell liquefied petroleum gas to mobilehome owners and tenants residents within

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the park at a cost which exceeds 110 percent of the actual price paid by the management of the park for liquefied petroleum gas.

- (b) The management of a park shall post in a visible location the actual price paid by management for liquefied petroleum gas sold pursuant to subdivision (a).
- (c) This section shall apply only to mobilehome parks regulated under the Mobilehome Residency Law. This section shall not apply to recreational vehicle parks, as defined in Section 18215 of the Health and Safety Code, which exclusively serve recreational vehicles, as defined in Section 18010 of the Health and Safety Code
- (d) Nothing in this section is intended to abrogate any rights a mobilehome park owner may have under Section 798.31 of the Civil Code.
- (e) In addition to a mobilehome park described in subdivision (a), the requirements of subdivisions (a) and (b) shall apply to a mobilehome park where requirements of federal, state, or local law or regulation, including, but not limited to, requirements for setbacks between mobilehomes, prohibit homeowners or-tenants residents from installing their own liquefied petroleum gas supply tanks, notwithstanding that the management of the mobilehome park permits mobilehome owners and park-tenants residents to buy their own liquefied petroleum gas.
- SEC. 8. Nothing in this act shall be construed to affect the application of any other statute, regulation, or any existing contract, lease, rental agreement, or related document.

SECTION 1. Section 798.21 of the Civil Code is amended and renumbered to read:

- 798.47. (a) Notwithstanding Section 798.17, if a mobilehome space within a mobilehome park is not the principal residence of the homeowner and the homeowner has not rented the mobilehome to another party, it shall be exempt from any ordinance, rule, regulation, or initiative measure adopted by any city, county, or city and county, which establishes a maximum amount that the landlord may charge a tenant for rent.
- (b) Nothing in this section is intended to require any homeowner to disclose information concerning his or her personal finances. Nothing in this section shall be construed to authorize management to gain access to any records which would otherwise be confidential or privileged.

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(c) For purposes of this section, a mobilehome shall be deemed to be the principal residence of the homeowner, unless a review of state or county records demonstrates that the homeowner is receiving a homeowner's exemption for another property or mobilehome in this state, or unless a review of public records reasonably demonstrates that the principal residence of the homeowner is out of state.

- (d) Before modifying the rent or other terms of tenancy as a result of a review of records, as described in subdivision (e), the management shall notify the homeowner, in writing, of the proposed changes and provide the homeowner with a copy of the documents upon which management relied.
- (e) The homeowner shall have 90 days from the date the notice described in subdivision (d) is mailed to review and respond to the notice. Management may not modify the rent or other terms of tenancy prior to the expiration of the 90-day period or prior to responding, in writing, to information provided by the homeowner. Management may not modify the rent or other terms of tenancy if the homeowner provides documentation reasonably establishing that the information provided by management is incorrect or that the homeowner is not the same person identified in the documents. However, nothing in this subdivision shall be construed to authorize the homeowner to change the homeowner's exemption status of the other property or mobilehome owned by the homeowner.
- (f) This section does not apply under any of the following conditions:
- (1) The homeowner is unable to rent or lease the mobilehome because the owner or management of the mobilehome park in which the mobilehome is located does not permit, or the rental agreement limits or prohibits, the assignment of the mobilehome or the subletting of the park space.
- (2) The mobilehome is being actively held available for sale by the homeowner, or pursuant to a listing agreement with a real estate broker licensed pursuant to Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, or a mobilehome dealer, as defined in Section 18002.6 of the Health and Safety Code. A homeowner, real estate broker, or mobilehome dealer attempting to sell a mobilehome shall actively market and advertise the mobilehome for sale in good faith to bona

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fide purchasers for value in order to remain exempt pursuant to this subdivision.

- (3) The legal owner has taken possession or ownership, or both, of the mobilehome from a registered owner through either a surrender of ownership interest by the registered owner or a foreclosure proceeding.
- SEC. 2. Section 798.22 of the Civil Code is amended and renumbered to read:
- 798.13.5. (a) In any new mobilehome park that is developed after January 1, 1982, mobilehome spaces shall not be rented for the accommodation of recreational vehicles as defined by Section 799.29 unless the mobilehome park has a specifically designated area within the park for recreational vehicles, which is separate and apart from the area designated for mobilehomes. Recreational vehicles may be located only in the specifically designated area.
- (b) Any new mobilehome park that is developed after January 1, 1982, is not subject to the provisions of this section until 75 percent of the spaces have been rented for the first time.
- SEC. 3. Section 798.23 of the Civil Code is amended and renumbered to read:
- 798.21. (a) The owner of the park, and any person employed by the park, shall be subject to, and comply with, all park rules and regulations, to the same extent as residents and their guests.
- (b) Subdivision (a) of this section does not apply to either of the following:
- (1) Any rule or regulation that governs the age of any resident or guest.
- (2) Acts of a park owner or park employee which are undertaken to fulfill a park owner's maintenance, management, and business operation responsibilities.
- SEC. 4. Section 798.23.5 of the Civil Code is amended and renumbered to read:
- 798.22. (a) (1) Management shall permit a homeowner to rent his or her home that serves as the homeowner's primary residence or sublet his or her space, under the circumstances described in paragraph (2) and subject to the requirements of this section.
- (2) A homeowner shall be permitted to rent or sublet pursuant to paragraph (1) if a medical emergency or medical treatment requires the homeowner to be absent from his or her home and this is confirmed in writing by an attending physician.

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(b) The following provisions shall apply to a rental or sublease pursuant to this section:

- (1) The minimum term of the rental or sublease shall be six months, unless the management approves a shorter term, but no greater than 12 months, unless management approves a longer term.
- (2) The management may require approval of a prospective renter or sublessee, subject to the process and restrictions provided by subdivision (a) of Section 798.74 for prospective purchasers of mobilehomes. A prospective sublessee shall comply with any rule or regulation limiting residency based on age requirements, pursuant to Section 798.76. The management may charge a prospective sublessee a credit screening fee for the actual cost of any personal reference check or consumer credit report that is provided by a consumer credit reporting agency, as defined in Section 1785.3, if the management or his or her agent requires that personal reference check or consumer credit report.
- (3) The renter or sublessee shall comply with all rules and regulations of the park. The failure of a renter or sublessee to comply with the rules and regulations of the park may result in the termination of the homeowner's tenancy in the mobilehome park, in accordance with Section 798.56. A homeowner's tenancy may not be terminated under this paragraph if the homeowner completes an action for unlawful detainer or executes a judgement for possession, pursuant to Chapter 4 (commencing with Section 1159) of Title 3 of Part 3 of the Code of Civil Procedure within 60 days of the homeowner receiving notice of termination of tenancy.
- (4) The homeowner shall remain liable for the mobilehome park rent and other park charges.
- (5) The management may require the homeowner to reside in the mobilehome park for a term of one year before management permits the renting or subletting of a mobilehome or mobilehome space.
- (6) Notwithstanding subdivision (a) of Section 798.39, if a security deposit has been refunded to the homeowner pursuant to subdivision (b) or (c) of Section 798.39, the management may require the homeowner to resubmit a security deposit in an amount or value not to exceed two months' rent in addition to the first month's rent. Management may retain this security deposit for the duration of the term of the rental or sublease.

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(7) The homeowner shall keep his or her current address and telephone number on file with the management during the term of rental or sublease. If applicable, the homeowner may provide the name, address, and telephone number of his or her legal representative.

- (c) A homeowner may not charge a renter or sublessee more than an amount necessary to cover the cost of space rent, utilities, and scheduled loan payments on the mobilehome, if any.
- SEC. 5. Section 798.25.5 of the Civil Code is amended and renumbered to read:
- 798.23. Any rule or regulation of a mobilehome park that (a) is unilaterally adopted by the management, (b) is implemented without the consent of the homeowners, and (c) by its terms purports to deny homeowners their right to a trial by jury or which would mandate binding arbitration of any dispute between the management and homeowners shall be void and unenforceable.
- SEC. 6. Section 798.28 of the Civil Code is amended and renumbered to read:
- 798.14.1. The management of a mobilehome park shall disclose, in writing, the name, business address, and business telephone number of the mobilehome park owner upon the request of a homeowner.
- SEC. 7. Section 798.28.5 of the Civil Code is amended and renumbered to read:
- 798.28. (a) Except as otherwise provided in this section, the management may cause the removal, pursuant to Section 22658 of the Vehicle Code, of a vehicle other than a mobilehome that is parked in the park when there is displayed a sign at each entrance to the park as provided in paragraph (1) of subdivision (a) of Section 22658 of the Vehicle Code.
- (b) (1) Management may not cause the removal of a vehicle from a homeowner's or resident's driveway or a homeowner's or resident's designated parking space except if management has first posted on the windshield of the vehicle a notice stating management's intent to remove the vehicle in seven days and stating the specific park rule that the vehicle has violated that justifies its removal. After the expiration of seven days following the posting of the notice, management may remove a vehicle that remains in violation of a rule for which notice has been posted upon the vehicle. If a vehicle rule violation is corrected within

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seven days after the rule violation notice is posted on the vehicle, the vehicle may not be removed. If a vehicle upon which a rule violation notice has been posted is removed from the park by a homeowner or resident and subsequently is returned to the park still in violation of the rule stated in the notice, management is not required to post any additional notice on the vehicle, and the vehicle may be removed after the expiration of the seven-day period following the original notice posting.

- (2) If a vehicle poses a significant danger to the health or safety of a park resident or guest, or if a homeowner or resident requests to have a vehicle removed from his or her driveway or designated parking space, the requirements of paragraph (1) do not apply, and management may remove the vehicle pursuant to Section 22658 of the Vehicle Code.
- SEC. 8. Section 798.29 of the Civil Code is amended and renumbered to read:
- 798.14.2. The management shall post a mobilehome ombudsman sign provided by the Department of Housing and Community Development, as required by Section 18253.5 of the Health and Safety Code.
- SEC. 9. Section 798.29 is added to the Civil Code, to read:
- 798.29. Section 798.36, subdivision (d) of Section 798.56, and Section 798.88 relate to enforcement of park rules and regulations.
- SEC. 10. Section 798.29.5 of the Civil Code is amended and renumbered to read:
- 798.43. The management shall provide, by posting notice on the mobilehomes of all affected homeowners and residents, at least 72 hours' written advance notice of an interruption in utility service of more than two hours for the maintenance, repair, or replacement of facilities of utility systems over which the management has control within the park, provided that the interruption is not due to an emergency. The management shall be liable only for actual damages sustained by a homeowner or resident for violation of this section.
- "Emergency," for purposes of this section, means the interruption of utility service resulting from an accident or act of nature, or cessation of service caused by other than the management's regular or planned maintenance, repair, or replacement of utility facilities.

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SEC. 11. The heading of Article 4 (commencing with Section 798.30) of Chapter 2.5 of Title 2 of Part 2 of Division 2 of the Civil Code is amended and renumbered to read:

#### Article 3.5. Fees and Charges

SEC. 12. Section 798.38 of the Civil Code is amended and renumbered to read:

798.40. (a) Where the management provides both master-meter and submeter service of utilities to a homeowner, for each billing period the cost of the charges for the period shall be separately stated along with the opening and closing readings for his or her meter. The management shall post in a conspicuous place, the prevailing residential utilities rate schedule as published by the serving utility.

(b) If a third-party billing agent or company prepares utility billing for the park, the management shall disclose on each resident's billing, the name, address, and telephone number of the billing agent or company.

SEC. 13. The heading of Article 4 (commencing with Section 798.40) is added to Chapter 2.5 of Title 2 of Part 2 of Division 2 of the Civil Code, as immediately following Section 798.39, to read:

#### Article 4. Utilities

SEC. 14. Section 798.40 of the Civil Code is amended and renumbered to read:

798.38. The management shall not acquire a lien or security interest, other than an interest arising by reason of process issued to enforce a judgment of any court, in a mobilehome located in the park unless it is mutually agreed upon by both the homeowner and management. Any billing and payment upon the obligation shall be kept separate from current rent.

SEC. 15. Section 798.42 of the Civil Code is amended and renumbered to read:

798.39.5. (a) The management shall not charge or impose upon a homeowner any fee or increase in rent which reflects the cost to the management of any fine, forfeiture, penalty, money damages, or fee assessed or awarded by a court of law against the

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management for a violation of this chapter, including any attorney's fees and costs incurred by the management in connection therewith.

- (b) A court shall consider the remoteness in time of the assessment or award against the management of any fine, forfeiture, penalty, money damages, or fee in determining whether the homeowner has met the burden of proof that the fee or increase in rent is in violation of this section.
- (c) Any provision in a rental agreement entered into, renewed, or modified on or after January 1, 1995, that permits a fee or increase in rent that reflects the cost to the management of any money damages awarded against the management for a violation of this chapter shall be void.
- SEC. 16. Section 798.43 of the Civil Code is amended and renumbered to read:
- 798.42. (a) Except as provided in subdivision (b), whenever a homeowner is responsible for payment of gas, water, or electric utility service, management shall disclose to the homeowner any condition by which a gas, water, or electric meter on the homeowner's site measures gas, water, or electric service for common area facilities or equipment, including lighting, provided that management has knowledge of the condition.

Management shall disclose this information prior to the inception of the tenancy or upon discovery and shall complete either of the following:

- (1) Enter into a mutual written agreement with the homeowner for compensation by management for the cost of the portion of the service measured by the homeowner's meter for the common area facilities or equipment to the extent that this cost accrues on or after January 1, 1991.
- (2) Discontinue using the meter on the homeowner's site for the utility service to the common area facilities and equipment.
- (b) On and after January 1, 1994, if the electric meter on the homeowner's site measures electricity for lighting mandated by Section 18602 of the Health and Safety Code and this lighting provides lighting for the homeowner's site, management shall be required to comply with subdivision (a).
- SEC. 17. Section 798.44 of the Civil Code is amended to read: 798.44. (a) The management of a park that does not permit mobilehome owners or park residents to purchase liquefied petroleum gas for use in the mobilehome park from someone other

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than the mobilehome park management shall not sell liquefied petroleum gas to mobilehome owners and residents within the park at a cost which exceeds 110 percent of the actual price paid by the management of the park for liquefied petroleum gas.

- (b) The management of a park shall post in a visible location the actual price paid by management for liquefied petroleum gas sold pursuant to subdivision (a).
- (c) This section shall apply only to mobilehome parks regulated under the Mobilehome Residency Law. This section shall not apply to recreational vehicle parks, as defined in Section 18215 of the Health and Safety Code, which exclusively serve recreational vehicles, as defined in Section 18010 of the Health and Safety Code.
- (d) Nothing in this section is intended to abrogate any rights a mobilehome park owner may have under Section 798.31 of the Civil Code.
- (e) In addition to a mobilehome park described in subdivision (a), the requirements of subdivisions (a) and (b) shall apply to a mobilehome park where requirements of federal, state, or local law or regulation, including, but not limited to, requirements for setbacks between mobilehomes, prohibit homeowners or residents from installing their own liquefied petroleum gas supply tanks, notwithstanding that the management of the mobilehome park permits mobilehome owners and park residents to buy their own liquefied petroleum gas.
- SEC. 18. Section 798.49 of the Civil Code is amended and renumbered to read:
- 798.46. (a) Except as provided in subdivision (d), the local agency of any city, including a charter city, county, or city and county, which administers an ordinance, rule, regulation, or initiative measure that establishes a maximum amount that management may charge a tenant for rent shall permit the management to separately charge a homeowner for any of the following:
- (1) The amount of any fee, assessment or other charge first imposed by a city, including a charter city, a county, a city and county, the state, or the federal government on or after January 1, 1995, upon the space rented by the homeowner.

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(2) The amount of any increase on or after January 1, 1995, in an existing fee, assessment or other charge imposed by any governmental entity upon the space rented by the homeowner.

- (3) The amount of any fee, assessment or other charge upon the space first imposed or increased on or after January 1, 1993, pursuant to any state or locally mandated program relating to housing contained in the Health and Safety Code.
- (b) If management has charged the homeowner for a fee, assessment, or other charge specified in subdivision (a) that was increased or first imposed on or after January 1, 1993, and the fee, assessment, or other charge is decreased or eliminated thereafter, the charge to the homeowner shall be decreased or eliminated accordingly.
- (c) The amount of the fee, assessment or other charges authorized by subdivision (a) shall be separately stated on any billing to the homeowner. Any change in the amount of the fee, assessment, or other charges that are separately billed pursuant to subdivision (a) shall be considered when determining any rental adjustment under the local ordinance.
  - (d) This section shall not apply to any of the following:
- (1) Those fees, assessments, or charges imposed pursuant to the Mobilehome Parks Act (Part 2.1 (commencing with Section 18200) of Division 13 of the Health and Safety Code), unless specifically authorized by Section 18502 of the Health and Safety Code.
- (2) Those costs that are imposed on management by a court pursuant to Section 798.42.
- (3) Any fee or other exaction imposed upon management for the specific purpose of defraying the cost of administration of any ordinance, rule, regulation, or initiative measure that establishes a maximum amount that management may charge a tenant for rent.
- (4) Any tax imposed upon the property by a city, including a charter city, county, or city and county.
- (e) Those fees and charges specified in subdivision (a) shall be separately stated on any monthly or other periodic billing to the homeowner. If the fee or charge has a limited duration or is amortized for a specified period, the expiration date shall be stated on the initial notice and each subsequent billing to the homeowner while the fee or charge is billed to the homeowner.

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- SEC. 19. Nothing in this act shall be construed to affect the application of any other statute, regulation, or any existing contract, lease, rental agreement, or related document. 1